

**Statement of Al Spinks
Midland, Texas
before the
House Agriculture Committee
San Angelo, Texas
May 9, 2006**

Mr. Chairman, members of the Committee, welcome to Texas and thank you for holding this hearing. It is a real honor to have the opportunity to testify before the House Agriculture Committee.

For twenty years, I farmed cotton along side my father until his death last summer. During that time, we each had our own operations and farmed some land in partnership, about 3000 acres in total. My father and I employed two brothers who have each worked for us for more than 15 years. The additional help we have hired during busy times is nearly always from their extended family. The operations we developed, and which are now consolidated, are the very definition of a family farm. Until five years ago, all my cotton was irrigated; however, because of persistent drought and rising fuel and fertilizer costs, I was unable financially to continue irrigating. In 2002, the first year of the current farm bill, I saw the opportunity to cut costs and began dryland farming. Because the payments were decoupled from production, I was not penalized for producing less cotton. Instead, I was able to make business decisions based on the market price of cotton and my production costs. I chose no longer to irrigate mainly because of the higher costs associated with irrigation, but also to let my land rest and recover from years of irrigating with water that is a little too salty.

The current farm bill has been and is the best farm bill for family farmers period. The combination of the marketing loan, counter-cyclical payments when prices are low, and a direct payment for stability is a sound foundation and is working well. Another successful aspect of the current farm bill is that when prices increase I am able to take more of my income from the market without sacrificing the security of the safety net that is ready to kick in when prices go down. It is imperative that the current law continues to operate without modification through its scheduled expiration with the 2007 crop.

It is also important that payment limitations, which already unfairly penalize many growers, not be reduced further and that current eligibility requirements be maintained. I am very concerned by annual proposals to further tighten limitations on benefits or limit eligibility to the loan. This past July, my father died of prostate cancer. I am the only child and only heir and am now facing the prospect of much of this consolidated operation not being eligible for government support because of payment limits. I understand the rational and political posturing that created the current payment limit structure, but it simply does not work on my farm. Some argue that payment limits penalize success. That may be true in many instances, but it is not the case on my farm. On my farm I have been adversely impacted by payment limits even though my farm has been barely large enough to provide the margins necessary to cover my families' living expenses.

The safety-net features of the farm bill are very important to me. Affordable, effective crop insurance is essential in our area, given the extraordinary risk of weather-related losses. The combination of federal crop insurance program and the protection from low prices provided by the loan and counter-cyclical payments have helped keep not only me, but also most farmers in my region, in business despite a persistent and nearly devastating drought. I also encourage you to look for ways to develop a permanent disaster program and to continue to encourage the development of innovative new crop insurance products such as the combination policy developed by Representative Neugebauer.

To subsidize my farming operation, ten years ago I began a small business that provides liquidity for farmers in need of cash. During the last couple years of Freedom to Farm, farmers going through a divorce regularly contacted me. I am not saying a bad farm bill was the cause of these family problems, but financial stress must have exacerbated the situation because I have not been contacted by a farmer going through a divorce for more than three years. I say this because much of the support for the farm bill comes from those that support rural development and rural communities. I believe that keeping families strong is a key for the future for rural areas.

Another part of the agriculture landscape that needs to be addressed is energy. Not that high-energy costs are a bad thing for my hometown of Midland. My friends who lived through ten-dollar oil without the government interfering should be allowed to live through sixty-dollar oil also without the government interfering. However, I highly recommend that alternative sources of energy not only be explored but also aggressively pursued. Wind energy is successfully being developed throughout much of West Texas; I hope that bio fuels closely follow. Rural America will benefit from gains in these areas, as will all of America as we develop less reliance on foreign oil. The new farm bill should continue the push toward renewable energy.

Conservation programs such as the Environmental Quality Incentives Program (EQIP) and the Conservation Reserve Program (CRP) are a vital part of the farm bill. We have successfully reduced soil erosion and improved air quality through the CRP and have improved the effectiveness and precision of our irrigation practices with the cost-share assistance provided by EQIP funds. Conservation programs should be operated on a voluntary, cost-share basis as a valuable complement to commodity programs.

Also important to my operation is Congressional support of the boll weevil eradication program and agricultural research and development. I appreciate the cost share funds provided to APHIS that facilitates operation of the boll weevil eradication program. This year, every acre of cotton in Texas is in an active eradication program. Producers are contributing a majority of the cost for this highly successful program, but USDA's cost-share is still a critical part of the programs success. It is a pleasure to think that with Congress' continued support the eradication of the boll weevil may be just a few years away.

Mr. Chairman, research is another important function of USDA so I was disappointed that the administration's FY07 budget proposal reduces cotton research by 15%; suggests closing the USDA gin labs at Lubbock and Las Cruces, New Mexico; and provides less research funding for the USDA-ARS Cropping Systems Research Laboratory in Lubbock. I urge each of you to encourage your colleagues in Congress to reject these proposed cuts and closures.

Regarding the WTO, it is good to know that Congress, not the negotiators in Geneva, will write our next farm bill. I believe it will be difficult for you to write new farm law while other are simultaneously negotiating a far-reaching new trade agreement. I am also concerned that if Congress modifies current law before the WTO negotiations are complete, it could undermine US negotiators' leverage to obtain concessions by our trading partners.

The US cotton industry has supported the Doha round but I do not think it will be able to recommend that Congress support an agreement that requires cotton to accept deeper and quicker reductions in domestic support; that does not provide significant and meaningful increases in market access, particularly in China; and that allows countries like Brazil, China, Pakistan and India to declare themselves less developed to avoid making concessions of their own. In short our negotiators need to know that Congress will not accept an agreement that holds any single commodity to a different standard; does not include a compliance assurance provision; and, lacks real, verifiable gains that benefit U.S. agriculture.

The history of farm bills reads like a pendulum swinging from little or no support to a collection of effective support mechanisms working together. I think it would be a mistake to swing the pendulum again. As I said when I started, the current farm program is working. I believe that only small changes are needed to meet budget requirements and our WTO obligations.

Thank you for conducting this hearing and for the opportunity to testify. I will be pleased to answer questions at the appropriate time.

**Committee on Agriculture
U.S. House of Representatives
Required Witness Disclosure Form**

House Rules* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2004.

Name: Al Spinks

Address: 1601 Stanchind Midland, TX

Telephone: (432) 684-7080

Organization you represent (if any): _____

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2004, as well as the source and the amount of each grant or contract. House Rules do NOT require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: _____ Amount: _____

Source: _____ Amount: _____

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2004, as well as the source and the amount of each grant or contract:

Source: _____ Amount: _____

Source: _____ Amount: _____

Please check here if this form is NOT applicable to you: _____

Signature: Al Spinks

* Rule XI, clause 2(g)(4) of the U.S. House of Representatives provides: Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.

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**Committee on Agriculture
U.S. House of Representatives
Information Required From Non-governmental Witnesses**

House rules require non-governmental witnesses to provide their resume or biographical sketch prior to testifying. If you do not have a resume or biographical sketch available, please complete this form.

1. Name: Al Spinks
2. Business Address: 1601 Standland
Midland, TX 79705
3. Business Phone Number: (432) 352-7080
4. Organization you represent: _____
5. Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee:
Cotton Farmer 1986 - today (owner)
Ag-related Finance Co. 1995 - today (owner)
6. Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee:
Board Member: Plains Cotton Growers,
Midland County Cotton Producers
Member 96 Dupont Cotton Leadership Class
7. If you are appearing on behalf of an organization, please list the capacity in which you are representing that organization, including any offices or elected positions you hold:

PLEASE ATTACH THIS FORM OR YOUR BIOGRAPHY TO EACH COPY OF TESTIMONY.